

Wholesale and Importer Licensee Survey Virginia Department of Alcoholic Beverage Control May 2004

Survey Purpose:

VABC has three mission-focused goals: effective public safety, excellent customer service and a reliable source of revenue for the Commonwealth. This is the first survey of Wholesalers and Importers with a focus on:

- Current contact with and services provided by Compliance Agents,
- Current services provided by Tax Management Services,
- Usefulness of future services.

Whom did we survey?

The department's CORE system was used to determine the appropriate license types to survey. There were 551 surveys distributed to 369 companies holding one or several combinations of wholesale, importer, or farm winery license. We are asking licensees to rate current services provided by their Compliance Agent and Tax Management Services division, and the usefulness of possible future services. The surveys were mailed April 23, 2004 with a follow up thank you/reminder postcard sent 6 days following the initial survey.

Thirty-three percent (33%) or 121 companies responded to the Wholesale/Importer Survey. The two largest group responding, Beer and/or Wine Importers had the highest response rate of 40%; followed by Beer and/or Wine Wholesalers with 26% responding.

What We Do Well:

Level of Service

Eight out of 10 respondents rated services provided by Compliance Agents as excellent to good in professionalism and courteousness. Seven out of 10 rated these services as excellent to good in areas such as ability to resolve issues, knowledge, timely response to request, and accessibility..

Eight out of 10 respondents rated Tax Management services as excellent to good in professionalism. Seven out of 10 rated Tax Management services as excellent to good in areas such as ability to resolve issues, knowledge, timely response to request,

Satisfaction Level

Very satisfied to generally satisfied is how 81% of the respondents rate their level of satisfaction with services provided by Tax Management Services.

This group has one of the highest ABC Web Page usage rates; 72% of the respondents have used ABC web page to view numerous forms and reports. Of those using/viewing the information, 76% view Brand Code Listings; 71% view Franchise information; 84% view Product Label Approval; 78% view Suppliers/Importers/Retailers information; 43% view Tax Rate information; 58% view Registrations; 43% view Permits; and 57% view Territory Maps.

Usefulness of future on-line reports and services

If given the opportunity to submit information on-line (electronically), 77% of all respondents would like to submit product approval applications electronically; 71% would like to submit tax information electronically; 56% would like to submit payment transactions; 50% would like to submit tax-exempt invoices electronically; and 46% would like to submit purchase order(s) electronically.

The respondents were asked if it would be useful to have four additional reports available on-line; 70% would find a monthly Report of Total Liters Sold and Taxes Paid by Virginia Wholesale Distributors very to somewhat useful; 52% would find monthly a report of Out-Of-State Vendor Shipping Wine into Virginia, very to somewhat useful.

No responses received from Farm Wineries. 73% and 77% respectively, would not find the two farm winery reports useful ('Monthly Report of Total Liters Sold and Taxes Paid by Virginia Farm Wineries' or 'Monthly Farm Winery Report').

Areas of Improvement/Enhancement Opportunities:

Product Label Approval and Wine Label Registration process*

Respondents commented that the process takes too long, weeks longer than other states. One respondent recommends the acceptance of color copy labels. Currently, Virginia requires Label Approval forms from the federal Tax and Trade Bureau (TTB) it should accept color copies of labels instead of requiring originals.

*Tax Management is currently working to reduce the backlog that occurred when the product approval position became vacant and remained vacant for more than eight months

Error-Free/Timely and Current/User Friendly Information

The information provided on the web site is useful, 72% are currently viewing or using the information. The addition of new information and the ability for external parties to submit information electronically will only help to increase usage. However, one common comment made is that the web site contains too many mistakes and the material is outdated. The information would be more useful if it is up-dated more frequently without errors.

Survey Responses - Wholesaler and Importer
N = 121s

Compliance Agent Services

Q1. On average, how often do you have contact with your ABC Compliance Agent?

	% Response
Weekly	4%
Monthly	22%
Quarterly	25%
Semi-Annually	13%
Annually	22%
Never	15%
Total	100%

Q2. How would you rate the level of service provided by your Compliance Agent in the following areas?

Services	Excellent to Good	Fair to Poor	Don't Know
Ability to resolve issues	76%	12%	12%
Professional	84%	4%	12%
Courteous	85%	3%	12%
Knowledgeable	77%	11%	12%
Timely response requests	70%	18%	12%
Accessible	76%	13%	11%

Q3. Please rate your experience with the following services provided by Tax Management

	Excellent to Good	Fair to Poor	Not Used
Approve wine, cider, low alcohol & malt beverage products for sale through wine/beer wholesalers.	54%	16%	30%
Approve wine, cider, and low alcohol beverages Gift Combination Packages.	25%	4%	71%
Approve wine, cider, low alcohol beverages, and malt beverage label revisions.	52%	10%	38%
Approve franchise documents and track franchise terminations.	37%	14%	49%
Process wine, cider, and low alcohol beverages tax invoices, transfers, and purchase orders.	42%	2%	56%
Collect and audit the wine, cider, low alcohol beverages, and malt beverage taxes.	47%	4%	49%
Issue Sacramental Permits.	14%	0%	86%
Issue franchise terminations.	22%	6%	72%

Q4. How would you rate the level of service provided by Tax Management in the following areas?

	Excellent to Good	Fair to Poor	Don't Know
Ability to resolve issues	72%	19%	19%
Professional	81%	16%	16%
Courteous	79%	16%	16%
Knowledgeable	78%	17%	17%
Timely response requests	68%	18%	18%
Accessible	74%	17%	17%

Q5. Overall, how satisfied are you with the services provided by Tax Management?

Overall Satisfaction	
Very Satisfied	28%
Generally Satisfied	53%
Somewhat Dissatisfied	3%
Very Dissatisfied	3%
Don't Know	13%

Q6. Have you ever used the ABC web site?

Yes	72%
No	28%

Q7. How often do you utilize ABC's web page to view the following?

	Responses	Often/ Sometimes	Rarely
Brand Code Listings	74	76%	24%
Franchise Information	68	71%	29%
Product Label Approval	67	84%	16%
Suppliers/Importers/Retailers	64	78%	22%
Tax Rate Information	46	43%	57%
Registrations	64	58%	42%
Permits	58	43%	57%
Territory Maps	53	57%	43%

Q8. How useful would you find the following reports if, in the future, they are offered on-line on ABC's web page?

	Very to Somewhat Useful	Not too Useful	Not at All Useful
Monthly Report of Total Liters Sold and Taxes Paid by Virginia Wholesale Distributors.	70%	18%	12%
Monthly Report of Out of State Vendor Shipping Wine into Virginia.	52%	21%	27%
Monthly Report of Total Liters Sold and Taxes Paid by Virginia Farm Wineries*.	28%	20%	53%
Monthly Farm Winery Report*.	23%	18%	59%

*Farm Wineries did not respond to survey.

Q9. If the following services were available on-line, how likely is it that you would use them?

On-Line Service/Electronic Filing	Very to Somewhat Useful	Not too Useful	Not at All Useful
Submit Tax Information	71%	9%	20%
Submit Payment Transactions	56%	17%	27%
Submit Purchase Orders	46%	12%	42%
Submit Tax-Exempt Invoices	50%	11%	39%
Submit Product Approval Application	77%	3%	20%

Q10. What is your ABC license classification (Exceeds 121 - Respondents hold one or a combination of several licenses)

Type of License	Number
Wholesale Beer (over 300,000 gallons annually)	18
Wholesale Beer (over 300,000 gallons annually but not over 600,000 annually)	6
Wholesale Beer (over 600,000 gallons annually)	23
Wholesale Wine (150,000 gallons or less annually)	30
Wholesale Wine (over 300,000 gallons annually)	8
Wholesale Wine (over 300,000 gallons annually but not over 600,000 annually)	6
Beer Importer	41
Wine Importer	59
Farm Winery	0
Other Beer Importer - Out of State	4

Responses received by License Type:

Breakdown	Count	% Response
Beer and/or Wine Importer	48	40%
Beer and Wine Wholesaler	31	26%
Wine Wholesaler and Importer	20	17%
Beer Wholesaler and Beer and/or Wine Importer	10	8%
Wine and Beer Wholesaler and Beer and/or Wine Importer	10	8%
Not specified	2	2%
Total surveys received	121	100%

Q11. If you are a wholesaler, what is the annual amount of taxes paid?

	Count	% Response
0\$ to \$10,000	21	32%
\$10,001 to \$50,000	8	12%
\$50,001 to \$100,000	3	5%
\$100,001 to \$500,000	9	14%
\$500,001 to \$1 Million	10	15%
Greater than \$1 Million	14	22%
Total Responding	65	100%